

STATE LENDING AND FINANCIAL ASSISTANCE PROGRAMS

Virginia Small Business Financing Authority

To assist qualified Virginia businesses in obtaining short-term financing, the Virginia Small Business Financing Authority (VSBFA) will guarantee a portion of a loan or a line of credit extended by a bank. The maximum guaranty is \$300,000 or 75 percent of the loan amount, whichever is less. The guaranty benefits the business by securing financing it would otherwise have been unable to obtain, while the bank benefits by reducing its risk.

VSBFA charges a non-refundable fee of \$100 to \$250, depending on the loan amount requested, to process a Loan Guaranty Application. The annual guaranty fee is one percent of the guaranteed portion of the loan or line of credit. To be eligible for financing under the VSBFA Loan Guaranty Program, a Virginia business, must meet at least one of the following criteria: have \$10 million or less in annual revenues over each of the last three years; have a net worth of \$2 million or less; or have fewer than 250 employees.

Contact: For additional information, please contact the *Virginia Small Business Financing Authority* at (804) 371-8254. See the appendix for VSBFA's address.

Virginia Defense Conversion Revolving Loan Fund (VDCRLF)

This program provides loans of up to \$700,000 to bridge the gap between private debt financing and private equity for projects that will result in job creation or retention. Funding is available for fixed asset financing to new and expanding manufacturing companies and other industries which derive 50% or more of their sales outside of Virginia.

Contact: *Virginia Small Business Financing Authority*, (804) 371-8254. See the appendix for VSBFA's address.

Industrial Development Bonds (IDBs) and the Umbrella IDB Program

The Virginia Small Business Financing Authority issues both tax-exempt and taxable revenue bonds (IDBs) statewide to provide creditworthy businesses with access to long-term, fixed asset financing at favorable interest rates and terms. Tax-exempt IDBs may be used to finance new or expanding manufacturing facilities and exempt projects such as solid waste disposal facilities.

In addition, VSBFA offers an Umbrella IDB Program which provides a cost efficient means for businesses to sell their bonds in the public bond market, particularly for smaller projects with limited access to this market.

Contact: *Virginia Small Business Financing Authority*, (804) 371-8254. See the appendix for the VSBFA's address.

Virginia Economic Development Revolving Loan Fund

This program provides loans of up to \$700,000 to bridge the gap between private debt financing and private equity for projects that will result in job creation or retention. Funding is available for fixed

asset financing to new and expanding manufacturing companies and other industries which derive 50% or more of their sales outside of Virginia.

Contact: *Virginia Small Business Financing Authority, (804) 371-8254.* See the appendix for VSBFA's address.

Child Day Care Financing Programs

The Virginia Small Business Financing Authority (VSBFA) provides small direct loans to “regulated” child care providers in the Commonwealth for quality enhancement projects or to meet child care requirements, including health, safety and fire codes.

VSBFA provides loans up to \$25,000 for Child Day Centers and up to \$3,000 to Family Home Providers. Some examples of eligible loan uses include infant care equipment, equipment needed to care for children with special needs, playground improvements, vans, and upgrades or renovations to kitchens, bathrooms, plumbing or electrical systems.

Contact: For more information, please call *Child Day Care Financing Program at VSBFA, (804) 371-8184.* See the appendix for VSBFA's address.

Virginia Neighborhood Assistance Act

The Virginia Neighborhood Assistance Act offers state income tax credit for businesses assisting economically disadvantaged individuals throughout the State. Investment by a business may take the form of financial assistance, material, labor, job training, counseling, emergency assistance medical care, and crime reduction activities.

Contact: For more information, please contact *Neighborhood Assistance Program, Department of Social Services, Office of Community Services at (804) 692-1895.* See the appendix for the address of the Department of Social Services.